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SUBJECT: 2003 INTERNATIONAL NARCOTICS CONTROL STRATEGY
REPORT

REF: A. STATE 324347

[B](#). STATE 328024

[C](#). ANKARA 286

Following is the preliminary 2003 INCSR report for Turkey.
Post will transmit any changes to addressees per reftels.

[I](#). Summary:

Turkey is a major transit route for Southwest Asian opiates to Europe, and serves as a base for major narcotics traffickers and brokers. Turkish law enforcement organizations focus their efforts on stemming the traffic of drugs and intercepting precursor chemicals. Turkish forces cooperate closely with European and U.S. agencies. While most of the heroin trafficked via Turkey is marketed in Western Europe, an increasing amount of heroin and opium also is smuggled from Turkey to the U.S. There is no appreciable cultivation of illicit narcotics in Turkey other than marijuana grown primarily for domestic consumption. We are unaware of any diversion from Turkey's licit opium poppy cultivation and pharmaceutical morphine production program.

Turkey signed the UN Drug Convention in 1988 and ratified the agreement in 1996. Turkey is an active member of the Financial Action Task Force (FATF). The U.S. terminated its USD 500,000 annual assistance program at the end of FY 1999, due to Turkey's refusal to accept Leahy Amendment restrictions. End summary.

II. Status of the Country:

Turkey is a major transshipment and opium conversion point for heroin. Turkey is also a base of operations for international narcotics traffickers and associates trafficking in opium, morphine base, heroin, precursor chemicals and other drugs. The majority of these opiates originate in Afghanistan, and are ultimately shipped to Western Europe. A smaller but still significant amount of heroin is trafficked to the U.S. via Turkey, and indirectly through Europe.

Turkish law enforcement forces are strongly committed to disrupting narcotics trafficking. The Turkish National Police remains Turkey's most sophisticated counter-narcotics force, while the Jandarma and Customs continue to increase their efficacy.

Turkish authorities continue to seize large amounts of heroin and precursor chemicals, such as acetic anhydride. It is estimated that multi-ton amounts of heroin are processed in or smuggled through Turkey each month.

Turkey is one of the two traditional opium-growing countries recognized by the USG and the International Narcotics Control Board. There is no appreciable illicit drug cultivation in Turkey other than marijuana grown primarily for domestic consumption. The Turkish Government maintains strict control over its licit poppy program.

III. Country Actions against Drugs:

(a) Policy Initiatives: The GOT devotes significant financial and human resources to counter-narcotics activities. Turkey continues to play a key role in Operation Containment (a regional program to reduce the flow of Afghan heroin to Western Europe) as well as in other regional efforts.

In 2002, the GOT reorganized the Drug Monitoring and Guidance Board and transferred its responsibilities to the Turkish International Academy against Drugs and Organized Crime (TADOC). Note: Last year's report (Reftel C) mistakenly reported that the Board had been dissolved.⁸ End Note. In 2003, the GOT appointed TADOC as its lead agency in dealings with the European Monitoring Center for Drugs and Drug Addiction (EMCDDA). The GOT expects to become a member of EMCDDA by year end.

In 2003 the Turkish National Police issued a regulation under which liaison officers were appointed in various provinces to establish drug abuse training and prevention units, in coordination with the Ministry of Education and the Ministry of Health.

(b) Accomplishments: At the request of the UN, in 2003 TADOC trained 26 Afghan counter-narcotics officers. Also in 2003, the DEA organized at TADOC facilities two training seminars for TNP, Customs and Jandarma, on using electronic surveillance to combat organized crime.

(c) Law Enforcement Efforts: Through 9 December 2003, Turkish law enforcement agencies seized 5.2 tons of heroin, 1.9 tons of hashish and 4,950,000 pills, and made 6,678 drug-related arrests.

(d) Corruption:

In June 2003 a Parliamentary Commission on corruption issued a report examining the reasons for and possible solutions to, the problem of corruption. It recommended increased transparency in public administration, strengthened audits, hiring of more qualified personnel, adoption of international judicial standards, and increased public and business education.

In July, 2003, the Turkish Banking Regulatory and Supervisory Agency (BRSA) assumed control of Imar Bank (part of the Uzan Group), and subsequently uncovered evidence of a massive fraud. Separately, in late 2003, Parliament established three commissions to pursue investigations against six former government ministers. No connection to narcotics has been alleged in any of these investigations.

In 2003 Turkey ratified the Convention on Combating Bribery of Foreign Public Officials in International Transactions and the Council of Europe's Civil Law on Corruption. Turkey has signed the Council of Europe's Criminal Law on Corruption and the UN Convention Against Corruption, but has not yet ratified them. In 2004, Turkey is expected to become a member of the Group of Countries against Corruption (GRECO).

(e) Agreements and Treaties: Turkey ratified the 1988 UN Drug Convention in 1996 and has been a member of FATF since 1991. Turkey ratified the UN Convention on the Suppression of Terrorist Financing in April 2002. In 2003 Turkey ratified the UN Convention against Transnational Organized Crime.

In February 2003 Turkey signed a Precursors Agreement with the EU, to combat the production of substances used in the manufacture of narcotic drugs and psychotropic substances. The Agreement awaits ratification.

(f) Cultivation/Production: Illicit drug cultivation, primarily marijuana, is minor and has no impact on the United States. Licit opium poppy cultivation is strictly controlled by the Turkish Grain Board, with no apparent diversion.

(g) Drug Flow/Transit: Turkey remains a major route, and a storage, production and staging area, for the flow of heroin to Europe. Turkish-based traffickers and brokers operate in conjunction with narcotic smugglers, laboratory operators, and money launderers in and outside Turkey. They finance and control the smuggling of opiates to and from Turkey.

Afghanistan is the source of most of the opiates reaching Turkey. Morphine and heroin base are smuggled overland from Pakistan via Iran. Multi-ton quantities of opiates and hashish have been smuggled by sea from Pakistan to points along the Mediterranean, Aegean, and/or Marmara seas. Opiates and hashish also are smuggled to Turkey overland from Afghanistan via Turkmenistan, Azerbaijan, and Georgia.

Traffickers in Turkey illegally acquire the heroin precursor chemical acetic anhydride from sources in Western Europe, the Balkans and Russia. For fiscal year 2003, 5.8 metric tons of acetic anhydride was seized in or destined for Turkey.

Turkish-based traffickers control and operate heroin laboratories at various locations. Some of them reportedly have interests in heroin laboratories operating near the Iranian-Turkish border in Iran. Turkish-based traffickers control much of the heroin marketed to Western Europe.

Post has no information concerning synthetic drug manufacturing and distribution.

(h) Demand Reduction: While drug abuse remains low in Turkey compared to other countries, the number of addicts reportedly is increasing. Although the Turkish Government appears to be increasingly aware of the need to combat drug abuse, the agencies responsible for drug awareness and treatment remain under-funded. Five Alcohol and Substance Abuse Treatment Clinics (AMATEM) have been established, which serve as regional drug treatment centers. Due to lack of funds, only one of the centers focuses on drug prevention as well as treatment. The Health Ministry has not conducted a drug abuse survey since 1995 due to lack of resources.

IV. U.S. Policies, Initiatives and Programs:

(a) U.S. Policy Initiatives and Programs: U.S. policy remains to strengthen Turkey's ability to combat narcotics trafficking, money laundering and financial crimes. Through fiscal year 1999, the U.S. Government extended USD 500,000 annually in assistance. While that program has now terminated, during 2003-04 the U.S. Government anticipates spending approximately \$100,000 in previously-allocated funds on anti-narcotics programs.

(b) Bilateral Cooperation: U.S. counter-narcotics agencies report excellent cooperation with Turkish officials. Turkish counter-narcotics forces have developed technically, becoming increasingly professional, in part based on the training and equipment they received from the U.S. and other international law enforcement agencies.

(c) Road Ahead: With the election of a new government in November 2002, many of the key government officials responsible for counter-narcotics and money-laundering were replaced; however, this does not appear to have degraded the quality of cooperation. The U.S. Mission in Turkey intends to continue to engage the recent appointees, and work with the government

V. Statistical Tables (through 9 December 2003):

Opium (licit)		
- Cultivation	2003:149,787	2002:117,650
2001:80,791		
- Eradication	2003-01:N/A	
- Harvestable	2003:99,430	2002:50,741
2001:45,836		
Drug Seizures		
- Cocaine (kg)	2003:2.6	2002:1.6
2001:8.4		
- Opium (kg)	2003:243.6	2002:262.6
2001:362.9		
- Hashish (tons)	2003:1.9	2002:10.1
2001:29.1		
- Heroin (tons)	2003:5.2	2002:5.1
2001:6.1		
- Morphine Base (tons)	2003:0.78	2002:0.78
2001:2.4		
- Acetic Anhydride (tons)	2003:5.8	2002:60.9
2001:22.6		
- Captagon/other synthetics	2003:4.95	2002:1.7MM
2001:1.2MM		
- Illicit Labs	2003:7	2002-01:N/A
- Domestic Consumption	2003-01:N/A	
- Users treated	2003-01:N/A	
- Arrests	2003:6,678	2002:8,965
2001:6,131		

VI. Money Laundering:

(a) General. In 2001, the GOT signed the Strasbourg Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (ratified September 2003); the Criminal Law on Corruption (not yet ratified); and the Civil Law on Corruption (ratified April 2003). By becoming a party to these COE conventions, the GOT obligated itself to revise its laws to include proceeds of all serious crimes in the definition of money laundering, and to specify corruption as a predicate offense for money laundering.

The Turkish Government signed the UN Convention against Transnational Organized Crime in 2001 and ratified it earlier this month. Turkey signed the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in 2000 (ratified February 2003)

Turkey cooperates closely with the U.S. and its neighbors in the Southeast Europe Cooperation Initiative (SECI). Turkey and the U.S. have a MLAT and cooperate closely on narcotics investigations and proceedings.

Turkey is not an offshore financial center and does not have secrecy laws that prevent disclosure of client and ownership information to bank supervisors and law enforcement officials. Turkey is an important regional financial center, particularly for Central Asia and the Caucasus, as well as for the Middle East and Eastern Europe. Since the financial crisis of 2000, the GOT has significantly tightened oversight of the banking system through BRSA. The reputation of BRSA has, however, been hurt recently by its failure to detect the Imar Bank fraud discussed above and Post has concerns about the commitment of the current government to BRSA's continued independence.

There is no significant black market for smuggled goods in Turkey, but tax evasion is a problem. Informed observers estimate that as much as fifty percent of the economy is unregistered. The GOT began a joint study with the IRC in 2001 to improve its tax collection. Turkey has established systems for identifying, tracing, freezing, seizing and forfeiting narcotics-related assets. Turkey's laws allow for only criminal forfeiture.

It is believed that Turkish-based traffickers transfer money to pay narcotic suppliers in Pakistan and Afghanistan, primarily through Istanbul exchange houses. The exchanges in turn wire transfer the funds through Turkish banks to accounts in Dubai and other locations in the United Arab Emirates. The money is then paid, often through the underground banking system, to narcotics suppliers in Pakistan and Afghanistan.

(b) Investigative Capabilities. Turkey's police, prosecutors, judges and investigative agencies require substantial training in financial crimes. The government has increased its focus on money laundering, but has had difficulty obtaining convictions. Since being established in 1997, the Financial Crimes Investigative Board (MASAK) has pursued more than 500 money laundering cases. Through 2003, only two cases have resulted in convictions. While good statistics are not available, most of the cases are believed to involve non-narcotic criminal actions or tax evasion.

MASAK has not yet settled into its role as Turkey's financial intelligence unit and is not yet functioning at a high level of efficiency. It requires additional legal authority; continuity of senior management; training; and computers. Training and equipment needs are being addressed by an EU accession project, which MASAK claims will be completed by year-end 2004. Note: Last year's report (Reftel C) mistakenly reported that this project was &completed.8
End Note.

Regarding legislation, in 2003, MASAK prepared an amendment to its law, which Parliament is expected to ratify early in 2004. The new law will broaden the definition of money laundering and expand the list of predicate offenses. It will also increase MASAK's authority and enhance its ability to cooperate with other government agencies. The GOT is similarly drafting legislation that will enable MASAK to conduct money laundering investigations into bank owners who misuse their banks' capital; to investigate the proceeds of

bribery and corruption; and to investigate fraudulent bankruptcy cases. With these changes, the Turkish money laundering legislation will include all the predicate offenses listed by FATF.

(c) Terrorist Financing. Turkey has not yet explicitly criminalized the financing of terrorism. It complies with UNSCR 1373 through the distribution to interested GOT agencies (but not financial institutions) of ministerial decrees. The tools currently available under Turkish law for locating, freezing and confiscating terrorist assets are cumbersome, limited and not particularly effective. As a result, one terrorist financing investigation conducted by the FBI and Royal Canadian Mounted Police in 2003 has been hampered. Legislation discussed above should ameliorate this situation.

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